

ITT Insiders' \$1.5 Million Stocks Deals

NEW YORK — (UPI) — Seven executives of International Telephone & Telegraph Corp. who sold about \$1.5 million worth of stock in the company shortly before announcement of its big antitrust settlement all have denied any inside knowledge of the settlement's terms.

E. J. Gerrity, ITT senior vice president, said the stock sales all appear to have been routine and their closeness in time to the announcement of settlement here coincidence.

With the public announcement of the antitrust settlement the stock fell from \$62 to \$55 in one day. It has since recovered to about \$61.

SEC Regulations

Regulators of both the Securities and Exchange Commission and the New York

Stock Exchange bar a company's officers from trading stock on the basis of information that is not possessed by the public.

The insider sales were revealed months ago in reports to the SEC as required by law. The question of their propriety was raised at the time because of the huge financial stake at issue in the ITT antitrust case, but the SEC did not see fit to take action.

The recent Senate inquiry into charges ITT may have given the Republican party up to \$400,000 in a convention pledge as a price for the settlement has stirred new interest in the executive stock sales. The New York Times claimed it has learned the SEC is reopen-

ing its inquiry into the stock sales.

Sale Orders

Testimony on March 2 before the Senate Judiciary Committee by Felix Rohatyn, an ITT director, shows some of those who sold stocks learned about the impending settlement last June 18 and 19. But the records indicate this was from 24 hours to as much as a month after the executives placed their sell orders.

Rohatyn told the committee he learned of the settlement terms on June 17 and that he recognized at once that the terms were not favorable to ITT. He said he communicated his disappointment over its terms during the following 48 hours to ITT Chairman Harold S. Geenen and Howard J. Ai-

bel, senior vice president, among others.

Settlement Terms

Abel, SEC records show, had placed a sell order for 2664 shares of ITT common the day before, the day ITT's Rohatyn learned of the probable terms of the settlement, which ITT says were not actually accepted until a month later.

Abel said he sold the shares on the advice of the investment department of First National City Bank.

He further said his recollection is it wasn't until June 21 that he learned from Rohatyn of the probable terms of the antitrust settlement.

Richard Bateson, a vice president, said he sold 200 shares on June 21 to replace money he had taken from his son's savings account in

order to make a down payment on a house on June 1.

Harry Williams, a director, sold ITT common and preferred on July 6 and 7 to repay a \$640,000 loan. He said he had exercised options to buy ITT shares on Jan. 4, 1971, and sold the shares as soon as he legally could under terms of the option agreement.

Similar Stories

Hart Perry, executive vice president, sold 2000 shares on July 13, also to get a favorable price for option stock. Perry insisted he knew nothing about the antitrust settlement terms until he read them in a newspaper Aug. 4.

John J. Navin, Frank J. McCabe and Albert C. Knortz, all company officers, sold shares in July and

gave similar explanations. All said they did not know the terms of the prospective settlement when they sold.

An eighth ITT official, William R. Merriam, head of the company's Washington office, had sold 1000 shares of ITT common on May 13, about the time ITT shares agreed to make a \$100,000 donation to the San Diego convention bureau to help finance the 1972 Republican national convention.